

NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor		2011-13 Change Over Base Year Doubled		2010-11	Governor		2012-13 Over 2010-11	
		2011-12	2012-13	Amount	%		2011-12	2012-13	Number	%
GPR	\$119,601,700	\$63,494,300	\$129,673,300	- \$46,035,800	- 19.2%	300.69	268.10	291.10	- 9.59	- 3.2%
FED	76,899,500	79,508,200	79,355,400	5,064,600	3.3	489.42	477.69	474.69	- 14.73	- 3.0
PR	36,811,100	36,659,600	36,591,600	- 371,000	- 0.5	267.14	257.14	257.14	- 10.00	- 3.7
SEG	<u>331,404,800</u>	<u>296,005,500</u>	<u>295,368,700</u>	<u>- 71,435,400</u>	<u>- 10.8</u>	<u>1,651.97</u>	<u>1,637.01</u>	<u>1,614.01</u>	<u>- 37.96</u>	<u>- 2.3</u>
TOTAL	\$564,717,100	\$475,667,600	\$540,989,000	- \$112,777,600	- 10.0%	2,709.22	2,639.94	2,636.94	- 72.28	- 2.7%
BR		\$25,000,000								

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Governor: Provide an increase of \$15,454,300 in 2011-12 and \$15,185,700 in 2012-13 with the deletion of nine project positions for adjustments to the base budget as follows: (a) -\$3,063,200 annually for turnover reduction (-\$337,300 GPR, -\$471,700 FED, -\$114,100 PR, and -\$2,140,100 SEG); (b)

-\$924,900 in 2011-12 (-\$125,300 FED, -\$262,400 PR, and -\$537,200 SEG) with a reduction of 6.0 positions, and -\$1,193,500 in 2012-13 (-\$278,500 FED, -\$330,400 PR and -\$584,600 SEG) with a reduction of 9.0 positions for removal of non-continuing elements from the base; (c) \$16,349,900 annually (\$3,406,100 GPR, \$4,259,600 FED, \$3,295,000 PR, and \$5,389,200 SEG) for full funding of continuing salaries and fringe benefits; (d) \$3,324,300 annually (\$8,300 PR and \$3,316,000 SEG) for overtime; and (e) -\$231,800 annually (-\$38,500 GPR, -\$45,900 FED, and -\$147,400 SEG) for full funding of leases and directed moves.

	Funding	Positions
GPR	\$6,060,600	0.00
FED	7,080,200	- 4.00
PR	5,785,600	- 3.00
SEG	<u>11,713,600</u>	<u>- 2.00</u>
Total	\$30,640,000	- 9.00

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- \$2,814,600
FED	- 4,359,800
PR	- 2,631,200
SEG	<u>- 14,640,600</u>
Total	- \$24,446,200

Governor: Delete \$12,223,300 in 2011-12 (\$1,364,400 GPR, \$2,180,100 FED, \$1,315,600 PR, and \$7,363,200 SEG) and \$12,222,900 in 2012-13 (\$1,450,200 GPR, \$2,179,700 FED, \$1,315,600 PR, and \$7,277,400 SEG) to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Convert 3.0 SEG classified positions (2.0 Administration and Technology operations positions and 1.0 Division of Land operations positions) to the unclassified service.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. The act also redefines "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

4. ELIMINATE LONG-TERM VACANCIES

Governor: Delete \$3,974,200 annually and 66.28 positions to reflect the elimination of long-term vacant positions under the bill. The annual reductions would include -\$621,600 GPR and -9.59 GPR positions, -\$625,200 FED and -10.73 FED positions, -\$802,600 PR and -11.00 PR positions, and -\$1,924,800 SEG and -34.96 SEG positions. Funding and position reductions are associated with positions that have been vacant for 12 months or more. Position reductions by appropriation are shown below.

	Funding	Positions
GPR	- \$1,243,200	- 9.59
FED	- 1,250,400	- 10.73
PR	- 1,605,200	- 11.00
SEG	<u>- 3,849,600</u>	<u>- 34.96</u>
Total	- \$7,948,400	- 66.28

<u>Fund</u>	<u>Appropriation</u>	<u>Annual</u>	<u>Positions</u>
Land Division			
GPR	Parks- general operations	-\$234,300	-3.99
PR	Division operations - service funds	-33,600	-0.50
SEG	Endangered resources - voluntary payments, sales, leases, and fees	-144,400	-2.00
SEG	Division operations - conservation fund	-590,200	-11.21
Forestry Division			
SEG	Forestry operations - conservation fund	-165,400	-3.00
Air and Waste Division			
FED	Division operations - federal	-109,700	-1.50
PR	Air management - stationary sources	-85,000	-1.00
PR	Solid waste management - solid and hazardous waste disposal, administration	-263,000	-3.50
PR	Mining - mining regulation and administration	-36,100	-0.50
SEG	Solid waste management - environmental repair, petroleum spills, administration	-80,600	-1.25
SEG	Recycling - administration	-33,600	-0.50
SEG	Division operations - environmental fund	-80,600	-1.25
Enforcement and Science Division			
FED	Division operations - federal	-39,100	-1.00
SEG	Division operations - conservation fund	-99,500	-1.50
SEG	Lake river and invasive species management	-67,200	-1.00
Water Division			
GPR	Division operations - state funds	-387,300	-5.60
FED	Watershed management operations - federal	-233,200	-4.00
FED	Fisheries management and habitat protection - federal	-243,200	-4.23
PR	Water regulation and zoning - fees	-67,200	-1.00
SEG	Great Lakes trout and salmon	-49,400	-1.00
SEG	Trout habitat improvement	-61,800	-1.25
SEG	Division operations - environmental fund	-67,200	-1.00
SEG	Division operations - conservation fund	-419,000	-9.00
Administration and Technology			
PR	Geographic information systems operations - service funds	-317,700	-4.50
SEG	Division operations - conservation fund	<u>-65,900</u>	<u>-1.00</u>
		-\$3,974,200	-66.28

5. BUDGET REDUCTIONS

Governor: Delete \$2,021,300 (including \$923,400 GPR and \$1,097,900 PR) in 2011-12 and \$2,076,100 (including \$978,200 GPR and \$1,097,900 PR) in 2012-13 associated with a reduction of 10% to supplies and other non-personnel costs (excluding salary and fringe benefits) in most GPR and PR appropriations. The reductions, by appropriation, are shown below.

GPR	- \$1,901,600
PR	<u>- 2,195,800</u>
Total	- \$4,097,400

<u>Fund</u>	<u>Appropriation</u>	<u>Base</u>	<u>2011-12</u>	<u>2012-13</u>
Land Division				
GPR	Parks operations	\$5,048,900	-\$71,300	-\$126,100
GPR	Endangered resources natural heritage inventory program	241,400	-1,100	-1,100
GPR	Division operations	11,600	-600	-600
PR	Elk management	196,400	-6,900	-6,900
PR	Reintroduction of whooping cranes	119,600	-1,900	-1,900
PR	Division operations - private and public sources	659,000	-51,500	-51,500
PR	Division operations - service funds	785,600	-35,500	-35,500
Air and Waste Division				
GPR	Air management - motor vehicle emission inspection and maintenance	61,900	-100	-100
GPR	Division operations - state funds	1,693,600	-18,100	-18,100
PR	Air management - state-regulated stationary sources	2,192,200	-17,300	-17,300
PR	Air management - asbestos management	575,800	-23,700	-23,700
PR	Air management - recovery of ozone-depleting refrigerants	301,600	-1,300	-1,300
PR	Air management - construction permit review and enforcement	1,985,100	-28,100	-28,100
PR	Solid and hazardous waste operations	2,695,600	-34,900	-34,900
PR	Remediated property (brownfields) fees	1,573,800	-4,600	-4,600
PR	Mining regulation and administration	123,300	-8,500	-8,500
PR	Division funds from other agencies	93,900	-9,400	-9,400
Enforcement and Science Division				
GPR	Division operations	3,159,900	-15,000	-15,000
GPR	Law Enforcement - car killed deer - general fund	509,500	-51,000	-51,000
PR	Snowmobile enforcement and safety training service funds	1,184,800	-40,700	-40,700
PR	Enforcement - stationary sources	106,400	-1,900	-1,900
PR	Operator certification fees	83,100	-200	-200
PR	Environmental impact - power projects	27,800	-1,400	-1,400
PR	Laboratory certification	730,700	-14,200	-14,200
PR	Division operations - private and public sources	376,000	-28,800	-28,800
PR	Division operations - funds from other entities	1,616,900	-18,200	-18,200
Water Division				
GPR	Division operations - state funds	15,092,900	-86,600	-86,600
GPR	Water resources - remedial action	13,380	-13,400	-13,400
PR	Water resources - water use fees	924,400	-44,500	-44,500
PR	Water resources - ballast water discharge permits	246,400	-700	-700
PR	Water regulation and zoning - fees	948,000	-15,300	-15,300
PR	Storm water management - fees	1,708,700	-20,300	-20,300
PR	Wastewater management - fees	138,800	-3,200	-3,200
PR	Groundwater quality administration	464,100	-5,600	-5,600
PR	Groundwater quantity research	93,900	-9,400	-9,400
PR	Fishery resources for ceded territories	156,000	-1,100	-1,100
PR	Division operations - private and public sources	220,300	-5,100	-5,100
PR	Division operations - service funds	488,600	-9,500	-9,500
Conservation Aids				
GPR	Wild rivers interpretive center	25,300	-2,500	-2,500

<u>Fund</u>	<u>Appropriation</u>	<u>Base</u>	<u>2011-12</u>	<u>2012-13</u>
Environmental Aids				
GPR	Nonpoint source grants	\$787,900	-\$78,800	-\$78,800
GPR	Local water quality planning grants	252,700	-25,300	-25,300
PR	Groundwater mitigation and local assistance	480,700	-48,100	-48,100
Debt Service and Development				
GPR	Resource maintenance and development	839,600	-84,000	-84,000
GPR	Facilities acquisition development and maintenance	160,400	-16,000	-16,000
GPR	State park, forest, and riverway roads	2,953,500	-295,400	-295,400
Administration and Technology				
GPR	Division operations - state funds	2,692,000	-151,300	-151,300
PR	Division operations - service funds	4,814,900	-424,200	-424,200
PR	Geographic information systems operations - other funds	36,300	-3,600	-3,600
PR	Geographic information systems operations - service funds	1,658,400	-14,700	-14,700
Customer Service and Employee Assistance				
GPR	Division operations - state funds	1,459,600	-12,900	-12,900
PR	Education programs - program fees	69,800	-400	-400
PR	Approval fees to Lac du Flambeau band - service funds	93,900	-9,400	-9,400
PR	Division operations - stationary sources	452,500	-1,000	-1,000
PR	Division operations - private and public sources	37,500	-3,800	-3,800
PR	Division operations - service funds	<u>1,633,500</u>	<u>-149,000</u>	<u>-149,000</u>
Total		\$71,705,980	-\$2,021,300	-\$2,076,100

6. TRANSFERS WITHIN APPROPRIATIONS

Governor: Authorize the following transfers between subprograms within the same appropriation:

	<u>Amount</u>	<u>FTE</u>	<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Campground Reservation Fees Split					
Parks and forests - campground reservation fees	\$67,500	0.00	SEG	Parks	Forestry
Parks and forests - campground reservation fees	223,900	0.00	SEG	Parks	Southern Forests
Administration and Technology					
Operations - conservation fund	25,500	0.30	SEG	Technical Services	Human Resources
Indirect cost reimbursements	59,500	0.70	FED	Technical Services	Human Resources
Operations - general fund	114,300	1.00	GPR	Human Resources	Finance
Customer Assistance and Employee Services					
Operations - environmental fund	45,300	0.50	SEG	Communication and Education	Customer Service and Licensing
Natural Resources Magazine	997,500	3.50	SEG	Communication and Education	Customer Service and Licensing
Indirect cost reimbursements	78,400	1.00	FED	Communication and Education	Customer Service and Licensing

Campground Reservation Fees Split. Split expenditure authority within the campground reservation fee appropriation between the parks, forests, and southern forests

subprograms to reflect reservation fees collected for campground reservations at campgrounds within state forests and southern state forests. Under s. 27.01 of the statutes, DNR collects a camping reservation fee and then pays \$9 of every \$10 collected to a private vendor, who maintains the reservation system. Reservation fee revenues are deposited in this appropriation for payment to the vendor. The bill would transfer \$67,500 to the forestry subprogram (forestry account) and \$223,900 to the southern forests subprogram (forestry account) leaving \$958,600 remaining in the parks account subprogram.

Administration and Technology. Transfer \$85,000 SEG and 1.0 environmental health specialist position from technical services to human resources. This transfer includes \$25,500 and 0.30 FTE within an appropriation split-funded from the conservation fund related to administration and technology operations, and \$59,500 and 0.70 FTE within a federal indirect appropriation. In addition, transfer \$114,300 GPR and 1.0 Integrated Science systems development services specialist position from Human Resources to Finance within a GPR general program operations appropriation related to administration and technology.

Customer and Employee Services. Make the following transfers from Communication and Education to Customer Service and Licensing to reflect the transfer of educational-related positions from the Communication and Education subprogram to other subprograms. Transfer \$45,300 SEG and 0.50 integrated services business automation position within an environmental fund general program operations appropriation. Transfer \$997,500 SEG and 3.5 positions within a natural resources magazine conservation fund SEG appropriation including: \$38,100 and 0.50 natural resources financial assistance specialist; \$96,600 and 1.0 natural resources program specialist; \$90,100 and 1.0 communications specialist-advanced position; \$108,300 and 1.0 natural resources magazine editor position; and \$641,100 in supply line funding and \$23,300 for LTEs. In addition, transfer \$78,400 FED and 1.0 communications specialist-advanced position within a federal indirect cost reimbursement appropriation.

7. TRANSFERS BETWEEN APPROPRIATIONS

Governor: Transfer annual funds and positions between appropriations within DNR as follows:

	<u>Amount</u>	<u>FTE</u>	<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Bureau of Communication and Education Transfers					
Information Systems (IS) Development Services	\$41,400	0.50	FED	Communication and Education	Technical Services
IS Development Services, Senior	41,400	0.50	SEG	Communication and Education	Technical Services
IS Comprehensive Services Specialist	97,400	1.00	FED	Communication and Education	Technical Services
IS Business Automation Specialist	95,000	1.00	SEG	Communication and Education	Technical Services
Natural Resources Educator, Advanced	241,200	0.50	PR	Communication and Education	Air Management
Natural Resources Educator, Advanced	126,900	0.50	SEG	Communication and Education	Air Management
Program and Policy Analyst	76,300	1.00	SEG	Communication and Education	Waste and Materials Management
Natural Resources Educator, Advanced	205,100	1.00	SEG	Communication and Education	Waste and Materials Management
Natural Resources Program Manager	75,200	0.55	SEG	Human Resources	Communication and Education
Technical Services Transfers					
Training Officer - Web Business Products Manager	84,800	1.00	SEG	Technical Services	Customer Service and Licensing
Natural Resources Financial Assistance Specialist	65,500	1.00	SEG	Technical Services	Community Financial Assistance

Communication and Education Transfers. Make the following transfers from the communication and education subprogram to reflect the transfer of educational-related services from this subprogram to other subprograms.

Transfer web technology positions from communication and education to technical services including: (a) transfer \$82,800 and 1.0 information systems development services position (\$41,400 FED and 0.50 FTE and \$41,400 conservation fund SEG and 0.50 FTE) (b) \$97,400 FED and 1.0 information systems comprehensive services position; and (c) \$95,000 conservation fund SEG and 1.0 information systems business automation specialist position.

The bill would also transfer \$94,800 and 1.0 natural resources educator position (\$47,400 PR and 0.50 FTE and \$47,400 SEG and 0.50 FTE) and \$273,300 (\$193,800 PR and \$79,500 SEG) in supply line funding from communication and education to air management. In addition, transfer \$76,300 environmental fund (formerly recycling fund) SEG and 1.0 program and policy analyst and \$205,100 environmental fund (formerly recycling fund) SEG and 1.0 natural resources educator position from communication and education to waste management for recycling administration.

Further, transfer \$75,200 conservation fund SEG and 0.55 natural resources program manager position from human resources to communication and education.

Technical Services Transfers. Transfer \$84,800 conservation fund SEG and 1.0 training officer position from technical services to customer service and licensing for a web business products manager position. Also, transfer \$65,500 and 1.0 natural resources financial assistance

specialist position between conservation fund SEG appropriations from technical services to community financial assistance.

8. CONTINUING APPROPRIATION REESTIMATES

Governor: Provide \$2,770,200 annually (\$1,797,300 FED, \$66,900 PR and \$906,000 SEG) in the following continuing appropriations to reflect estimated expenditures.

FED	\$3,594,600
PR	133,800
SEG	<u>1,812,000</u>
Total	\$5,540,400

<u>Fund</u>	<u>Appropriation</u>	<u>Base</u>	<u>Annual Change</u>
Land Division			
FED	Land division operations	\$11,764,300	\$435,500
SEG	Parks and forests - campground reservation fees	1,150,000	100,000
SEG	Pheasant restoration	203,800	35,400
SEG	Wild turkey restoration	760,000	19,000
SEG	Wetlands habitat improvement	341,400	16,800
SEG	Pheasant stocking and propagation	264,100	107,000
SEG	Rental property and equipment - maintenance and replacement	458,300	61,100
Air and Waste Division			
FED	Division operations - federal	8,512,300	-200,000
Water Division			
FED	Drinking water and groundwater operations	15,706,800	-150,000
FED	Fisheries management and habitat protection	5,275,400	700,000
FED	Safe drinking water loan program operations	880,100	1,058,400
PR	Division operations - private and public sources	220,300	20,900
SEG	Commercial fish protection and Great Lakes surcharge	5,500	19,500
SEG	Great Lakes trout and salmon	1,262,500	395,900
SEG	Trout habitat improvement	1,295,600	164,500
SEG	Sturgeon stock and habitat	137,300	62,700
SEG	Sturgeon stock and habitat - inland waters	135,900	-75,900
Customer Service and Employee Assistance			
FED	Division operations - federal	1,042,300	-46,600
PR	Division operations- private and public sources	<u>37,500</u>	<u>46,000</u>
Total		\$49,453,400	\$2,770,20

9. DEBT SERVICE REESTIMATE

Governor: Increase funding by \$13,068,200 in 2011-12 (\$16,723,400 GPR and -\$3,655,200 SEG) and \$5,012,800 in 2012-13 (\$7,219,400 GPR and -\$2,206,600 SEG) to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued for administrative facilities, conservation land acquisition and development, dam repair and removal, environmental repair, rural and urban non-point source grants, combined sewer overflow, municipal clean drinking water, and pollution abatement grants.

GPR	\$23,942,800
SEG	<u>- 5,861,800</u>
Total	\$18,081,000

10. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- \$67,579,800
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Governor: Decrease funding by \$70,451,700 GPR in 2011-12 and increase funding by \$2,871,900 GPR in 2012-13 to reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision.)

11. ENVIRONMENTAL ANALYSIS AND REVIEW SPECIALISTS

	Positions
PR	3.00

Governor: Provide 3.0 environmental analysis and review specialist project positions to support increased environmental reviews of transportation projects as a result of increased federal transportation funding under the American Recovery and Reinvestment Act (ARRA). Under a cooperative agreement with the Department of Transportation, DNR provides transportation "liaisons" throughout the state who perform environmental reviews (erosion, waterway and wetland regulations, and environmental assessments, as needed) of state roadway projects in the DNR regions. The liaisons also act as a single point of contact for local governments conducting transportation projects. In fall 2009, the Joint Committee on Finance authorized 3.0 two-year project positions and expenditure authority of \$225,000 to address an increase in environmental review of transportation workload associated with federal ARRA projects. Authorization for the 3.0 project positions ends November 30, 2011. These positions and corresponding authority of \$258,400 were removed under standard budget adjustments (removal of non-continuing elements from the base). The bill would extend the three project positions to continue this work through November, 2013.

Stewardship Program

1. AIDS IN LIEU OF PROPERTY TAXES

SEG	\$2,025,000
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Governor: Specify that the state make no payments for aids in lieu of property taxes for lands acquired by the Department after the effective date of the bill. Provide \$700,000 SEG in 2011-12 and \$1,325,000 SEG in 2012-13 from the forestry account of the conservation fund to reflect estimated aids in lieu of property tax payments. Total payments for aids in lieu of property taxes for lands acquired since 1992 are estimated to be approximately \$12.5 million in 2011-12 and \$13.2 million in 2012-13 (an additional \$1.1 million is available for payments for

lands acquired prior to January 1, 1992). This includes \$4,660,000 in 2011-12 and \$5,285,000 in 2012-13 from the forestry account, while the remainder is paid from a sum sufficient GPR appropriation.

Since 1992, when DNR acquires land, the state pays aids in lieu of property taxes on the land to the city, village, or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu of property taxes are paid on property beginning for the tax year after it was purchased.

[Bill Section: 1749]

2. LAND ACQUISITION AND EASEMENTS

Governor: Beginning in fiscal year 2011-12 (July 1, 2011), the bill would limit the acquisition of an easement utilizing stewardship funds to easements necessary to provide public access to land, easements for state trails or the ice age trail, or forestry easements. The bill would also eliminate stewardship grants for an acquisition of property development rights program. In addition, for each proposed land acquisition (except the acquisition of forestry easements) utilizing stewardship funds, the bill would require any city, village, town, or county in which a portion of the land is located to adopt a nonbinding resolution that supports or opposes the proposed acquisition and would require DNR to consider this resolution when approving or denying the acquisition.

Under the Warren Knowles-Gaylord Nelson Stewardship program, DNR acquires land and provides grants to local units of government and non-profit conservation organizations (NCOs) for land acquisition, easements, and nature-based outdoor recreational property development activities. The state generally issues 20-year tax-exempt general obligation bonds to support the stewardship program. Debt service for stewardship bonding is primarily funded from a sum sufficient general purpose revenue (GPR) appropriation (\$69.8 million in 2012-13 under the bill) with a portion of the funding coming from the forestry account of the conservation fund (\$13.5 million in 2012-13). 2007 Act 20 extended the stewardship program to fiscal year 2019-20 and increased the annual bonding allocation for the program from \$60 million to \$86 million beginning in 2010-11. Act 20 also increased the total general obligation bonding authority for the stewardship program by \$860 million, for a total authorization of \$1,663,000,000. The stewardship program is made up primarily of two subprograms, the land acquisition subprogram, and the property development and local assistance subprogram. In addition, Act 20 created a recreational boating aids subprogram. The following table shows how the bonding authority was allocated in fiscal year 2009-10 under the previous stewardship program, and how it is expected to be allocated under the stewardship program from 2010-11 through 2019-20 under current law.

DNR Annual Stewardship Allocations

	Previous Stewardship Program	Reauthorized Stewardship Program (beginning in 2010-11)
Land Acquisition		
General DNR Land Acquisition	\$32,500,000	\$48,000,000**
NCO Acquisition (minimum)	8,000,000	12,000,000
Board of Commissioners of Public Lands Natural Areas	<u>2,000,000</u>	<u>2,000,000</u>
Land Acquisition Subtotal	\$42,500,000	\$62,000,000
Property Development and Local Assistance		
Property Development	\$7,000,000	\$10,000,000
Local Assistance (maximum)	<u>8,000,000</u>	<u>11,500,000</u>
Property Development and Local Assistance Subtotal	\$15,000,000	\$21,500,000
Recreational Boating Aids	<u>\$2,500,000</u>	<u>\$2,500,000</u>
Total Allotment	\$60,000,000	\$86,000,000*

* Available annually for ten years from 2010-11 through 2019-20.

** Includes grants for county forests beginning in 2010-11.

Under the land acquisition subprogram, DNR may obligate moneys to acquire land for any of the purposes specified under statute (such as forests, parks, wildlife areas, and natural areas). The use of DNR lands is guided by statute and administrative code. 2007 Act 20 required lands acquired by DNR to be open to the public for hunting, fishing, trapping, hiking, cross-country skiing, and any other nature-based outdoor recreation as defined by DNR in administrative rule, with exceptions for public safety, protection of unique plants or animals, or accommodation of usership patterns.

The Department utilizes both fee title and conservation easement purchases in its land acquisition activities. Fee title (or fee simple) acquisition involves outright purchases of land by the Department, allowing for complete state ownership and management of the parcel. The Department pays aids in lieu of property taxes, primarily from state general purpose revenue (\$7,645,400 GPR in 2009-10) and also from the forestry account (\$3,960,000 SEG in 2009-10), on the land it owns. DNR also purchases conservation easements, which involve a permanent, perpetual agreement entered into by the landowner and DNR in which the state purchases certain specifically identified property rights from the landowner. A conservation easement may provide for public access and recreational use, specify certain management criteria (such as maintaining streambank habitat or sustainable forestry practices) or contain certain development restrictions.

Beginning with fiscal year 2011-12, the bill would specify that DNR may obligate moneys from the stewardship program (the reauthorized stewardship 2000 program) only for the acquisition of land in fee simple and for the acquisition of a right or interest in land that is one of the following: (a) an easement, of up to five acres, that is necessary to provide the public access to land or a body of water that is required to be open to the public for which there is no other

public access or for which public access is limited to the degree that a major amount of one or more nature-based outdoor activities is not allowed; (b) an easement, of up to five acres, for a state trail or the ice age trail; or (c) a forestry easement, which is defined as a conservation easement that includes all of the development rights in the land and that imposes an obligation on the owner of the land to ensure that the land is managed using sustainable forestry practices to produce forest products.

Under current law, the property development component of the property development and local assistance subprogram addresses property development on DNR-owned land, while the local assistance program awards stewardship grants to local governments (including tribes) and NCOs to acquire land for nature-based outdoor recreation and to local governments for nature-based outdoor recreational development on local conservation land. Funding obligated for property development is used for: (a) property development on DNR land; (b) property development on conservation easements adjacent to DNR land; and (c) grants to friends groups and non-profit conservation organizations for property development activities on DNR land. Funding obligated for local assistance is used for: (a) grants for acquisition and development of local parks (eligible development projects for nature-based outdoor recreation include fishing piers, hiking trails, and picnic facilities, among others); (b) grants for acquisition of urban green space; (c) grants for acquisition of property development rights; and (d) grants for acquisition and development of urban rivers. Stewardship funds may generally be provided for up to 50% of eligible project costs. Effective with fiscal year 2011-12, the bill would eliminate the stewardship program that awards grants to local units of government and NCOs for the acquisition of development rights in lands for nature-based outdoor recreation.

In addition, for any proposed land acquisition utilizing stewardship funds (including easements, except for acquisition of forestry easements), the bill would require each city, village, town, or county to adopt a nonbinding resolution that supports or opposes the proposed acquisition of land if any portion of the land is located in the city, village, town or county. The bill would require DNR to provide written notification to each city, village, town, or county that is required to adopt a resolution. Within 30 days after receiving the notification, the bill would require each affected city, village, town, or county to adopt the resolution and provide the Department with a copy of the resolution. If the Department receives the copy within this time period, DNR would be required to consider the resolution before approving or denying the grant or acquisition. This provision would first apply to applications for grants and state aid that are submitted to the Department on the effective date of the bill, and to DNR acquisitions that are submitted to the Governor on the effective date of the bill.

[Bill Sections: 819 thru 822, 835 thru 837, 848 thru 855, 861, 862, 913, and 9335(2)]

3. PUBLIC ACCESS

Governor: Specify that public access for one or more nature-based outdoor activities may be prohibited on land acquired by DNR or acquired through a stewardship program grant in fee simple, or acquired by an easement or other conveyance on land that was withdrawn from the managed forest law program on or after the effective date of the budget act, only if the Natural

Resources Board determines that it is necessary to do so to: (a) protect public safety; or (b) protect a unique animal or plant community. However, if the property acquired was an easement on managed forest lands for a state trail or the Ice Age Trail, access could also continue to be restricted to accommodate usership patterns.

Under current law, land acquired by DNR or acquired through a stewardship program grant in fee simple, or acquired by an easement or other conveyance on land that was withdrawn from the managed forest law program beginning on October 27, 2007, must be open to the public for hunting, fishing, trapping, hiking, cross-country skiing, and any other nature-based outdoor recreation as defined in administrative rule, *unless* the Natural Resources Board determines that a closure is necessary to: (a) protect public safety; (b) protect a unique animal or plant community; or (c) to accommodate usership patterns, as defined by administrative rule. Exceptions to the public access requirements include fish, game, and wildlife refuges, fish hatcheries, state parks, and locations within close proximity to hospitals and schools where certain types of public access and/or hunting may be prohibited. Except for acquisitions of easements on managed forest land for state trails or the ice age trail, the bill would limit the allowable reasons for prohibiting public access to stewardship lands for nature-based activities to the protection of public safety or a unique animal or plant community.

[Bill Sections: 823 thru 834]

4. OVERSIGHT LEVEL

Governor: Reduce the threshold for review of a stewardship project by the Joint Committee on Finance from \$750,000 to \$250,000. Further, specify that a project or activity using stewardship funds of less than or equal to \$250,000 is subject to review by the Joint Committee on Finance if all of the following apply: (a) it is so closely related to one or more other Department projects or activities proposed as to constitute a larger project or activity that exceeds \$250,000; and (b) the Department separated the projects or activities primarily to avoid Joint Finance Review.

Under current law, all stewardship projects (excluding DNR property development projects and DNR acquisition of land held by the Board of Commissioners of Public Lands) in excess of \$750,000 are subject to review by the Joint Committee on Finance, under a 14-day passive review process. Further, a DNR project or activity using stewardship funds of less than or equal to \$750,000 is subject to passive review by Joint Finance if all of the following apply: (a) it is so closely related to one or more other Department projects or activities proposed as to constitute a larger project or activity that exceeds \$750,000; and (b) the Department separated the projects or activities primarily to avoid Joint Finance review.

[Bill Sections: 838 thru 840]

5. LAND VALUATION

Governor: Modify the statutory language regarding the calculation of acquisition costs

for certain lands acquired using a stewardship grant. In addition, the bill would clarify that two appraisals are required to determine the current fair market value of the land for all stewardship land acquisition grants to local units of government and non-profit conservation organizations, if the current fair market value of the land is estimated by DNR to be more than \$350,000.

Under current law, for land that has been owned by the current owner (seller) for less than one year, the acquisition cost of the land for stewardship grant purposes is equal to the owner's acquisition price. For land owned for over one year but less than three years, the acquisition cost is calculated as the owner's purchase price plus 5% if over one year but less than two, and plus 10% if the land has been owned by the current owner for two years but less than three years. Lands owned for three or more years are limited to the fair market value of the property (generally the appraised value). Under the bill, the acquisition costs for land that has been owned for less than one year would equal the current owner's acquisition price or the current fair market value of the land, whichever is lower. For land owned by the current owner for over one year but less than three years, the acquisition cost would be calculated as the lower of the following: (a) the current fair market value or (b) the adjusted price (current owner's purchase price plus 5% if over one year but less than two, and plus 10% if over two years but less than three years). Land owned by the current owner for three or more years would remain limited to the fair market value of the property.

Current law requires DNR to utilize at least two appraisals to determine the fair market value of land when awarding certain stewardship land acquisition grants to local units of government and nonprofit conservation organizations if the fair market value of the land is estimated by DNR to be over \$350,000. The bill would clarify that two appraisals are required to determine the "current" fair market value of the land for all stewardship land acquisition grants to local units of government and nonprofit conservation organizations for land where DNR estimates the current value at over \$350,000.

These provisions would first apply to applications for grants, state aid, or funding submitted to DNR on July 1, 2011, and that have not been approved or denied by DNR on or before the effective date of the budget act.

[Bill Sections: 841 thru 847, and 9335(1)]

Fish, Wildlife and Recreation

1. PARKS OPERATION FUNDING SPLIT

Governor: Provide \$2,500,000 SEG from the parks account of the conservation fund and delete \$2,500,000 GPR in 2011-12 only associated with 23.0 positions for parks operations. Base funding for 2012-13 would not be affected. Under the bill, approximately 13% of the state park operations budget would be GPR

GPR	- \$2,500,000
SEG	<u>2,500,000</u>
Total	\$0

supported in 2011-12 and 25% (approximately the same level as in the 2009-11 biennium) would be GPR in 2012-13 (75% parks SEG supported).

2. GOVERNOR THOMPSON STATE PARK OPERATIONS

SEG	\$56,200
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Governor: Provide \$32,100 in 2011-12 and \$24,100 in 2012-13 from the parks account of the conservation fund for limited-term employee salary and fringe benefits and supplies to support increased maintenance associated with a new campground. Phase I of a two-phase campground is expected to open in 2011 at Governor Thompson State Park (Marinette County) with 50 new campsites.

3. PARKS PUBLIC SAFETY AND LAW ENFORCEMENT EQUIPMENT

SEG	\$234,500
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Governor: Provide \$125,000 in 2011-12 and \$109,500 in 2012-13 from the parks account of the conservation fund for parks equipment upgrades. There are four components to this provision.

First, provide \$58,300 annually for the first two payments of an expected four-year master lease that would support the purchase of 99 radios for parks staff. The Federal Communications Commission has mandated that all Very High Frequency (VHF) government radio communications move to narrow band effective January 1, 2013. Narrowband radios use 12.5 kHz channel spacing rather than 25 kHz channel spacing meaning they have double the number of channels/frequencies available for use in the same amount of electromagnetic spectrum. All 99 radios purchased would be narrowband radios. In addition, the radios are compatible with both analog and digital transmissions.

Second, provide \$44,200 annually for the first two payments of an expected four-year master lease to support the purchase of 37 mobile data computer units (MDC), IP Mobile-Net radios (which enable the MDCs to transmit data to Wisconsin State Patrol dispatchers), and associated equipment. Currently, the parks system has 34 MDC units, all of which are over five years old, and which are experiencing increasing maintenance issues.

Third, provide \$15,500 in 2011-12 only to purchase vehicle security screens for 27 parks law enforcement vehicles throughout the state. The screens separate persons in custody being transferred to a detention facility from law enforcement personnel.

Finally, the bill would provide \$7,000 annually to transition permanent and LTE parks staff with law enforcement-related duties to the use of lead-free ammunition.

4. PARKS AND SOUTHERN FORESTS OPERATIONS

SEG	\$815,600
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Governor: Provide \$407,800 annually (\$67,500 forestry account and \$340,300 parks account) for limited-term employees, utilities, fleet expenses and supplies to operate new facilities, trails, and campgrounds developed in recent years in the Wisconsin state park and

forest systems.

New buildings have been added to upgrade parks and southern forest facilities including entrance and visitor stations, toilet and shower buildings, accessible cabins, and shop buildings. In some cases, properties containing these new facilities have had to absorb the maintenance and operational costs within existing budgets. In addition, several new facilities at multiple properties are under development or are beginning construction and scheduled to open in the 2011-13 biennium and will require services including electricity, sewer and water, fuel, and cleaning and basic maintenance. Further, new trail miles have been added to several state trails requiring additional trail maintenance. The bill would provide additional operations and maintenance funding from the parks and forestry accounts of the conservation fund. The bill includes operations funding for 37 state parks, two state recreation units, five state trails, and five state forest units, as follows (listed properties are state parks unless otherwise indicated):

<u>Park/Recreation Area</u>	<u>Facilities</u>	<u>Annual</u>	<u>Total</u>
Amnicon Falls	Vault Toilet	\$2,500	\$5,000
Aztalan	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
Bearskin State Trail	2 Vault Toilets	5,000	10,000
Big Bay	2 Vault Toilets	5,000	10,000
	Park Entrance & Visitor Station	5,000	10,000
Big Foot Beach	Flush Toilet	2,500	5,000
Blue Mound	Shelter Building	1,500	3,000
	Maintenance	3,000	6,000
Brunet Island	Shelter Building	1,500	3,000
	Vault Toilet	2,500	5,000
Buckhorn	Portable Toilets Plumbing Contract	13,700	27,400
Chippewa Moraine Recreation Area	Maintenance	2,000	4,000
Chippewa River State Trail	Vault Toilet	2,500	5,000
Copper Falls	Bathhouse	2,000	4,000
	Flush Toilet	2,000	4,000
	Park Entrance & Visitor Station	5,000	10,000
Council Grounds	Toilet/Shower Building	3,000	6,000
Devil's Lake	Park Entrance & Visitor Station	7,500	15,000
	2 Toilet/Shower Buildings	6,000	12,000
	Shelter Building	1,500	3,000

<u>Park/Recreation Area</u>	<u>Facilities</u>	<u>Annual</u>	<u>Total</u>
Governor Dodge	2 Vault Toilets	\$5,000	\$10,000
	Park Entrance & Visitor Station	4,000	8,000
	Shelter Building	1,500	3,000
Governor Nelson	Shelter Building	2,500	5,000
	Bathhouse	1,500	3,000
Great River State Trail	Vault Toilet	2,500	5,000
Hartman Creek	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
High Cliff	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
	Maintenance	3,000	6,000
	New Utility Lines	3,000	6,000
Interstate	Vault Toilet	2,500	5,000
	Bathhouse	3,000	6,000
	Shelter Building	1,500	3,000
	Interpretive Center	3,000	6,000
Kettle Moraine State Forest- Lapham Peak Unit*	Shelter Building	1,500	3,000
	Interpretive Center	2,000	4,000
	Vault Toilet	2,500	5,000
	Ranger Station	3,500	7,000
Kettle Moraine State Forest- Northern Unit*	2 Bathhouses	6,000	12,000
	Maintenance	3,500	7,000
	3 Vault Toilets	7,500	15,000
	Shelter Building	1,500	3,000
	Horse Shelter	1,000	2,000
	Shop Building/Storage Facility	1,000	2,000
	Observation Tower	500	1,000
	New Bike Trail Miles	5,500	11,000
Kettle Moraine State Forest- Pike Lake Unit*	Maintenance	3,000	6,000
	Flush Toilet	3,000	6,000
	Park Entrance & Visitor Station	4,000	8,000
Kettle Moraine State Forest-	2 Toilet/Shower Buildings	6,500	13,000
Southern Unit*	Flush Toilet	2,000	4,000
	Shelter Building	1,500	3,000
Kohler Andrae	Shelter Building	1,500	3,000
	Flush Toilet	3,000	6,000
	Amphitheater	500	1,000
Kinnickinnic	Vault Toilet	2,500	5,000
	Changing Stalls	1,000	2,000

<u>Park/Recreation Area</u>	<u>Facilities</u>	<u>Annual</u>	<u>Total</u>
Lake Kegonsa	Vault Toilet	\$2,500	\$5,000
	Shelter Building	1,500	3,000
Lake Wissota	Shelter Building	1,500	3,000
Merrick	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
	New Campsites	4,000	8,000
Mill Bluff	Shelter Building	1,500	3,000
Mirror Lake	2 Vault Toilets	5,000	10,000
	Cabin	1,500	3,000
New Glarus Woods	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
Newport	Maintenance	3,000	6,000
Pattison	Maintenance	3,000	6,000
	Vault Toilet	2,500	5,000
Peninsula	Maintenance	3,000	6,000
	Shelter Building	1,500	3,000
	Interpretive Center	1,000	2,000
	Vault Toilet	2,500	5,000
Perrot	New Group Campground	7,500	15,000
Point Beach State Forest*	Concession Building	1,000	2,000
	Shelter Building	1,500	3,000
	Vault Toilet	2,500	5,000
Potowatomi	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
	Toilet/Shower Building	2,000	4,000
	New Group Campground	8,800	17,600
Red Cedar Trail	Flush Toilet	2,500	5,000
Rib Mountain	Shelter Building	1,500	3,000
	Flush Toilet	2,000	4,000
	Vault Toilet	2,500	5,000
	Concession Building	1,000	2,000
Richard Bong Recreation Area*	Park Entrance & Visitor Station	5,000	10,000
	Shelter Building	1,500	3,000
Roche a Cri	Vault Toilet	2,500	5,000
	Office Building	1,000	2,000
Rock Island	Shelter Building	1,500	3,000

<u>Park/Recreation Area</u>	<u>Facilities</u>	<u>Annual</u>	<u>Total</u>
Rocky Arbor	2 Vault Toilets	\$5,000	\$10,000
Straight Lake	Expanded Property Operations	8,000	16,000
Sugar River Trail	Vault Toilet	2,500	5,000
Whitefish Dunes	Vault Toilet	2,500	5,000
	Shop Equipment	3,000	6,000
Wildcat Mountain	2 Vault Toilets	5,000	10,000
	Shelter Building	1,500	3,000
	New Campground	27,600	55,200
Willow River	2 Vault Toilets	5,000	10,000
	Concession Building	1,000	2,000
	New Campground	58,700	117,400
Wyalusing	Shelter Building	1,500	3,000
	Concession Building	1,000	2,000
	4 Vault Toilets	10,000	20,000
	Expanded Property Operations	<u>2,000</u>	<u>4,000</u>
Total		\$407,800	\$815,600

*Funded from the forestry account. All others are parks account SEG.

5. FORESTRY RADIO MASTER LEASE

SEG	\$428,000
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Governor: Provide \$214,000 each year in one-time funding from the forestry account of the conservation fund for the third and fourth year payments of a six-year master lease that would support the replacement of forestry radios. Funding of \$265,000 each year in one-time funding was provided by 2009 Act 28 for the first two-years of the master lease for the purchase of 232 mobile radios, 209 portable radios, and 11 aviation specific radios.

6. CONSERVATION WARDEN RECRUIT CLASS SUPPORT

SEG	\$350,000
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Governor: Provide \$175,000 annually to create a permanent base of supplies and services associated with recruiting, hiring, and training new conservation wardens. DNR did not have a warden recruit class in calendar year 2009 due to funding constraints and retirement deferrals. 2009 Act 28 provided \$175,000 in one-time funding to support a recruit class during the 2009-11 biennium. DNR utilized this funding in 2010 to hire a conservation warden recruit class of 10. The proposed funding would allow the Department to hire a similar size recruit class (depending on the number of expected warden retirements and vacancies) on an annual basis. Expenditure authority would be provided as follows:

	<u>Annual</u>
Conservation Fund	
Fish and Wildlife Account	\$133,500
Boat Registration Account	20,400
ATV Account	8,800
Water Resources Account	2,100
Environmental Fund	7,900
Environmental Fund (formerly Recycling Fund)	<u>2,300</u>
Total	\$175,000

7. CONSERVATION WARDEN COMPUTERS

SEG	\$677,000
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Governor: Provide \$338,500 in one-time funding in 2011-12 and 2012-13 to begin a master lease for computers for law enforcement wardens. DNR attempts to replace most computers after a four-year life-cycle. In 2012, the Bureau of Law Enforcement will be in its fourth year of a four-year laptop life-cycle. The funds provided would cover the first two years of a four-year master lease and provide 216 laptop computers designed to withstand rugged use. Expenditure authority would be provided as follows:

	<u>Annual</u>
Conservation Fund	
Fish and Wildlife Account	\$258,300
Boat Registration Account	39,500
ATV Account	16,900
Water Resources Account	4,100
Environmental Fund	15,200
Environmental Fund (formerly Recycling Fund)	<u>4,500</u>
Total	\$338,500

8. CONSERVATION WARDEN RADIO TRUNKING

SEG	\$288,000
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Governor: Provide \$288,000 in one-time funding in 2011-12 to equip DNR law enforcement radios with radio trunking. Funding would be provided for 600 radios including 200 portable warden radios, 50 portable LTE law enforcement radios, 200 mobile truck radios, and 150 mobile boat radios. Mobile radios are located in the warden vehicle, while portable radios are carried outside the vehicle. A trunked radio system is a complex type of computer-controlled radio system which uses only a few channels (frequencies), but allows for a large number of talkgroups. This allows many people to carry on many conversations over only a few distinct frequencies, without interference. Wisconsin State Patrol plans to implement radio trunking by late 2012. Implementing trunking in DNR radios will allow wardens to communicate with the State Patrol. Additional funding of \$70,000 to support a portion of boat radio trunking costs is expected to be provided by the U.S. Coast Guard. Expenditure authority would be provided as follows:

	<u>2011-12</u>
Conservation Fund	
Fish and Wildlife Account	\$219,800
Boat Registration Account	33,600
ATV Account	14,400
Water Resources Account	3,500
Environmental Fund	12,900
Environmental Fund (formerly Recycling Fund)	<u>3,800</u>
Total	\$288,000

9. WILDLIFE MANAGEMENT

SEG	\$226,600
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Governor: Provide \$113,300 annually from the fish and wildlife account (hunting and fishing license fees) of the segregated conservation fund for management of nuisance wildlife, primarily black bear and birds (such as Canada geese). Base-level funds for removing wild animals that cause damage, or for responding to complaints about wild animals, or their structures, which are causing a nuisance are also provided from wildlife damage surcharge revenues (a \$2 surcharge added to most resident and nonresident hunting licenses), bonus deer permit sales, and federal funds. DNR contracts with the United States Department of Agriculture's Animal Plant Health Inspection Service (APHIS) Wildlife Services to control and manage wildlife causing damage.

10. SNOWMOBILE TRAIL AIDS

SEG	\$388,600
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Governor: Increase the snowmobile trail aids appropriation by \$144,400 in 2011-12 and \$244,200 in 2012-13 to reflect the estimated motor fuel tax transfer to the snowmobile account (related to increased snowmobile registrations). Local trail aids would be expected to be approximately \$8.3 million each year (including supplemental trail aids).

11. SNOWMOBILE SUPPLEMENTAL TRAIL AIDS

Governor: Increase the amount of revenue from each non-resident snowmobile trail pass sold that is deposited in the appropriation utilized for snowmobile supplemental trail aids from \$15 to \$32. The current fee for non-resident trail passes is \$35 (including the issuing fee).

Under current law, DNR provides snowmobile trail aids to counties and participating snowmobile clubs for development and maintenance of snowmobile trails. These grants are provided from the snowmobile account of the conservation fund (from a portion of motor fuel tax revenues and registration revenues). In addition, a county or snowmobile club is eligible for supplemental trail aid payments up to a total of \$750 per mile, if actual eligible costs exceed the maximum of \$250 provided for (basic) trail aids. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula. Further, beginning in 2001-02, \$15 from each non-resident trail pass sticker sold in the prior year is also available for this purpose. Remaining revenues from trail use sticker sales (minus an

issuing fee) are deposited to the general balance of the snowmobile account. However, when the trail use sticker fee was increased by \$17 from \$18 to \$35 under 2007 Act 225, the act did not include a corresponding increase in the amount set aside for supplemental trail aids. Therefore, under current law, \$15 of the revenue from trail use stickers continues to be available for supplemental trail aids while the remainder is credited to the general snowmobile account. The bill would increase the amount credited to the appropriation for supplemental trail aids by \$17 to \$32, while the remainder (\$3 less the issuing fee) would be credited to the general snowmobile account.

The bill would be expected to result in an approximately \$425,000 annual increase in the amount transferred for supplemental trail aids (\$17 X 25,000 trail passes), however, this amount is not reflected in the bill. Further, a technical correction is needed to clarify that the change would become effective for the fiscal year 2011-12 transfer.

[Bill Section: 3193]

12. ATV TRAIL AIDS

SEG	- \$130,500
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Governor: Reduce the ATV trail aids appropriation by \$46,700 in 2011-12 and \$83,800 in 2012-13 to reflect expected revenues from the motor fuel tax transfer to the ATV account of the conservation fund (related to ATV registrations). ATV trail aids are provided to towns, villages, cities, counties, and federal agencies for the following ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas, and shelters); (c) development and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs. Under the bill, local trail aids would be funded at approximately \$3.4 million each year.

13. ATV LANDOWNER INCENTIVE PROGRAM LAPSE

Governor: Lapse \$894,000 from the appropriation for the ATV landowner incentive program to the balance of the ATV account of the conservation fund in 2011-12. (The appropriation ended fiscal year 2009-10 with a continuing balance of \$894,700). No landowner incentive grants were awarded in fiscal years 2008-09 or 2009-10 under the program. In addition, the bill would convert the appropriation from continuing to specify that the amount in the appropriation schedule is the amount that may be committed from the appropriation each biennium. Any uncommitted balance in the appropriation would lapse to the balance of the appropriation at the close of each biennium.

The 2007-09 budget created the ATV landowner incentive program and redirected all non-resident trail pass revenues from the local trail aids appropriation to a continuing appropriation for landowner payments for the program beginning in fiscal year 2008-09. The program provides grants to private landowners who permit public ATV corridors on their lands. Landowners may receive annual incentive payments at the following rates based on the number of days the trail was open for public use during the previous fiscal year: (a) \$25 for each mile that was open for public use for at least 60 but less than 180 days; (b) \$75 for each mile that was open for public

use at least 180 days but less than 270 days; or (c) \$100 for each mile that was open for public use for 270 days more. Under the bill, all revenues from non-resident ATV trail passes would continue to be deposited in the landowner incentive appropriation. However, the amount of biennial commitments would be specified in the appropriation schedule, and any remaining uncommitted balance at the end of the biennium would lapse to the balance of the appropriation.

[Bill Sections: 594 and 9235(8)]

14. ENDANGERED RESOURCES NATURAL HERITAGE INVENTORY PROGRAM

	Funding	Positions
PR	\$141,800	1.00
SEG	<u>- 141,800</u>	<u>- 1.00</u>
Total	\$0	0.00

Governor: Delete \$70,900 SEG annually and provide a corresponding \$70,900 PR annually and transfer 1.0 conservation biologist position from segregated revenue to program revenue related to fees collected for access to the DNR natural heritage inventory.

Under current law, the DNR Bureau of Endangered Resources conducts a Natural Heritage Inventory (NHI) program, which provides a system for determining the existence and location of natural areas, native plant and animal communities and habitat, and endangered, threatened, and critical species, the degree of endangerment of these natural areas, species, and habitat, and other information and data related to these natural areas and species. Current law requires DNR to share NHI information with those who request it for research, educational, environmental, land management or similar authorized purposes. The data are utilized to assess the potential impacts of a proposed project (for example, a road or building project) on native plant and animal communities.

DNR is authorized to charge a fee under s. 23.27(3)(b) to recover the cost of collecting, storing, managing, compiling, and providing the NHI information and data. These fees are set under administrative rule NR 29 and are currently deposited in a general operations appropriation in the endangered resources account of the segregated conservation fund [20.370(1)(fs)]. The administration indicates the intent of the bill was for this conservation biologist position to be funded by these fees. However, a technical correction is needed to remove the reference to these fees under the SEG appropriation so they may be deposited to the PR appropriation.

15. REPEAL ATLAS REVENUE AND SALE OF LAND APPROPRIATIONS

Governor: Repeal appropriation 20.370(1)(it) (SEG revenues from the sale of atlases) and deposit the revenues in an existing conservation fund SEG appropriation [20.370(8)(ir)] for promotional activities and publications. In addition, repeal the s. 20.370(1)(mg) PR appropriation for natural heritage contributions and sale of natural areas and specify that all moneys received from gifts and contributions under the Wisconsin natural areas heritage program and all moneys received from the sale of state-owned lands withdrawn from the state natural areas system for the purpose of natural heritage land acquisition activities, natural area land acquisition activities, and administration of the natural areas inventory program be deposited in segregated appropriation

20.370(1)(gr). The title of appropriation 20.370(1)(gr) would be changed from "Endangered resources program- gifts and grants" to "Endangered resources - gifts and grants; sale of state-owned lands".

[Bill Sections: 587 thru 589, 601, and 863 thru 865]

Water Quality

1. DAM SAFETY PROGRAM BONDING AND APPLICATION REQUIREMENTS

BR	\$4,000,000
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Governor: Provide \$4,000,000 in general obligation bonding authority for dam safety grants. Under the bill, debt service would be paid from a GPR sum sufficient appropriation, however, no estimate of debt service payments is made for the biennium (debt service on \$4 million in general obligation bonds would be expected at about \$308,000 annually for 20 years once all bonds are issued). The bill would also remove the current six-month time limit in which municipalities are required to request grant funding after receiving inspection directives or administrative orders from DNR. Dam owners would still be required to be under an administrative order or inspection directive in order to be eligible for a dam safety grant.

Since the 1989-91 biennium, DNR has administered the municipal dam safety grant program. The program provides matching grants to counties, cities, villages, towns, and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. Dam safety grants may also be awarded to remove abandoned dams or to any dam owner to voluntarily remove their dam. A total of \$16.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million authorized by 2009 Act 28. The program has funded the repair or reconstruction of 87 municipally owned dams and the removal of 31 small, abandoned, or municipally owned dams, including 17 municipal dam repair or reconstruction and two municipal dam removal projects funded with the \$4 million made available in 2009. In addition, Act 28 requires increased dam safety inspections, which may result in increased demand for dam safety grant funding.

[Bill Sections: 786 and 921]

2. WATER RESOURCES ACCOUNT LAPSES

Governor: To address a structural deficit (authorized expenditures from the water resources account exceeding anticipated revenues to the account), lapse \$355,000 in uncommitted balances in each year of the biennium from the following continuing appropriations

back to the balance of the water resources account (motorboat gas tax) of the conservation fund.

<u>Appropriation</u>	<u>Annual</u>
Non-profit conservation organization aids	\$14,500
Lake protection grants	278,500
Non-profit river protection aids	7,000
Southeastern boating access	9,400
Statewide boating access	18,800
Mississippi and St. Croix rivers management projects	5,900
Facilities acquisition, development, and maintenance	<u>900</u>
Total	\$335,000

[Bill Sections: 9235(1) thru (7)]

3. LAKE MANAGEMENT PLANNING GRANTS

Governor: Increase the maximum lake planning grant award from \$10,000 to \$25,000 per grant. The maximum grants for management (\$200,000) and lake classification (\$50,000) would not be affected.

Under current law, DNR awards grants for up to 75% of the cost of lake planning projects, with a maximum grant award of \$10,000. Counties, municipalities, non-profit conservation organizations, qualified lake associations, town sanitary districts, certain school districts, and public inland lake protection and rehabilitation districts are all eligible to apply for planning grants. Examples of eligible planning activities include data collection, mapping, water quality assessment, nonpoint source pollution evaluation, management strategy development and other projects that would provide baseline information on the status of lakes. Under the bill, the Department would be authorized to provide up to 75% of project costs, up to a maximum grant of \$25,000 (a \$33,330 project). In fiscal year 2009-10, the Department awarded 104 planning grants for a total of \$764,300. Water resources account SEG of \$2.6 million is available annually for lake planning, classification and management grants.

[Bill Section: 2927]

4. NONPOINT ACCOUNT REVENUES

SEG-REV - \$2,572,800

Governor: Reduce by \$1,286,400 annually the sum-certain GPR transfer to the nonpoint account of the segregated environmental fund. Under the bill, the transfer would be reduced by 10% from a base of \$12,863,700 to \$11,577,300 each year. The GPR transfer is budgeted under "Miscellaneous Appropriations."

The nonpoint account supports state grant programs related to the abatement and prevention of water pollution from agricultural and urban runoff. The account also currently

supports 38.7 positions for administration of regulatory efforts and grants programs. In addition, 2009 Act 28 transferred debt service payments for most nonpoint source pollution abatement-related bonds from GPR to nonpoint SEG. Under current law, the account receives revenues from two primary sources: (a) an annual sum-certain GPR transfer; and (b) tipping fees of \$3.20 per ton from the \$13 per-ton fee on most solid waste disposed of in Wisconsin landfills, except high-volume industrial waste. These revenue sources were established under 2007 Act 20. The account also receives interest income on its balances. The table below shows revenues beginning in 2007-08 and those estimated for fiscal years 2011-13.

Nonpoint Account Revenues

<u>Source</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Actual 2009-10</u>	<u>Estimated 2010-11</u>	<u>Bill 2011-12</u>	<u>Bill 2012-13</u>
GPR Transfer	\$11,514,000	\$13,625,000	\$12,863,700	\$12,863,700	\$11,577,300	\$11,577,300
Solid Waste Tipping Fee	792,600	5,259,400	10,662,000	17,600,000	17,600,000	17,600,000
Interest Income	<u>326,800</u>	<u>28,300</u>	<u>-3,500</u>	<u>5,000</u>	<u>10,000</u>	<u>10,000</u>
Total	\$12,633,400	\$18,912,700	\$23,522,200	\$30,468,700	\$29,187,300	\$29,187,300

5. TARGETED RUNOFF MANAGEMENT BONDING

BR	\$7,000,000
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Governor: Provide \$7 million in additional general obligation bonding authority for the targeted runoff management (TRM) competitive grant program. Bond proceeds would be used to fund structural best management practices (BMPs) in rural areas to prevent nonpoint source water pollution. TRM grants may be used to cover the minimum state assistance as specified in the statutes for agricultural landowners to be required to install BMPs; this cost-share rate is generally 70%. Proceeds may also fund manure management projects at small and medium-sized animal feeding operations that are issued notices of discharge pursuant to manure or wastewater releases to waters of the state.

The TRM program is currently authorized \$18 million in general obligation bonding. Bonding authority has increased by \$7 million in each of the last two biennia. Debt service on this authority is supported by the segregated nonpoint account of the environmental fund. Debt service under the bill would be estimated at \$832,000 in 2011-12 and \$1,036,200 in 2012-13.

[Bill Section: 782]

6. URBAN NONPOINT SOURCE AND STORM WATER MANAGEMENT BONDING

BR	\$6,000,000
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Governor: Provide \$6 million in additional general obligation bonding authority for the urban nonpoint source and storm water management (UNPS) competitive grant program. Bond proceeds fund structural best management practices (BMPs) in urban areas to meet performance standards for urban runoff, including storm water discharges. UNPS grants may fund up to 50% of eligible construction costs, up to \$150,000. Grant funds must be applied to pollution-control

improvements for existing developments, as projects associated with areas of new development or redevelopment are ineligible.

This bonding authority is also shared with the municipal flood control (MFC) and riparian restoration program. MFC grants fund projects to: (a) convey storm water for flood-control purposes; (b) purchase or remove structures subject to repetitive flood loss or that are located in a 100-year floodplain; (c) flood-proof or elevate vulnerable structures; or (d) remove dams and other artificial structures from waterways or otherwise restore riparian areas. MFC grants may be for up to 70% of eligible costs, with individual grants limited to no more than 20% of the total available.

DNR has typically split the biennial bonding authorization equally between the two programs. The UNPS and MFC programs are currently authorized \$35.9 million in general obligation bonding. Bonding authority has increased by \$6 million in each of the last two biennia. Debt service on this authority is supported by the nonpoint account of the environmental fund, and is estimated at \$2,403,000 in 2011-12 and \$2,537,400 in 2012-13.

[Bill Section: 784]

7. REPEAL AND RECREATE NONPOINT SOURCE POLLUTION PERFORMANCE STANDARDS

Governor: Require DNR to repeal and recreate administrative rule NR 151, which prescribes performance standards for agricultural and nonagricultural sources of nonpoint source water pollution. Specify the new rule shall not contain requirements more stringent than those under the federal Water Pollution Control Act (Clean Water Act) and associated federal regulations. Specify the recreated rule shall take effect 90 days after the effective date of the bill.

Further, specify that if the recreated NR 151 establishes a date by which a municipality holding a Wisconsin pollutant discharge elimination system (WPDES) general permit for storm water discharges must develop and implement a storm water management program, to the extent allowed by federal law, the rules must not apply to any such municipality that determines compliance with the deadline would have a significant adverse economic impact on the municipality.

Under current state law, DNR is required to promulgate administrative rules containing the quality standards for Wisconsin's surface waters. These standards are contained in administrative rule chapters NR 102 through NR 105. DNR is also required under s. 281.16 of the statutes to promulgate administrative rules containing performance standards for nonpoint sources of water pollution. The performance standards in administrative rule NR 151 are intended to limit nonpoint source pollution as a means of achieving state water quality standards. In accordance with the statutes, NR 151 establishes separate performance standards for: (a) agricultural lands and facilities; and (b) non-agricultural areas including construction sites, post-construction sites, and developed urban areas. NR 151 also creates standards for transportation facilities such as highways, railroads or mass transit facilities, and these standards are similar to those for non-agricultural areas. Performance standards generally prescribe limits or specify required and prohibited activities that would limit: (a) soil erosion or other sediment deposition

to waters; (b) nutrient deposition; and (c) runoff of pollutants that tend to be location-specific, such as manure from agricultural facilities or motor vehicle petroleum products from developed urban areas and transportation facilities.

Although the state has latitude in establishing its water quality standards, basic requirements are contained in the Clean Water Act and federal regulations, and states are required to establish water quality standards on these bases. If states fail to promulgate water quality standards on their own accord, federal law provides the U.S. Environmental Protection Agency (EPA) authority to promulgate water quality standards for states. Federal regulations also specify minimum water quality standards for Great Lakes states.

NR 151 requires WPDES-permitted municipalities to meet a two-stage reduction in total suspended solids (TSS) entering waters of the state through runoff from existing development. Stage 1 requirements are a 20% TSS reduction, as compared to no runoff controls, within two years of receiving coverage under a permit. Stage 2 requirements are one of the following: (a) a 40% TSS reduction by March 31, 2013, if WPDES permit coverage began January 1, 2010, or earlier; (b) a 40% TSS reduction within seven years of permit issuance if the permit was issued later than January 1, 2010; or (c) if a 40% reduction is not achieved, the municipality may describe controls in place and submit a long-term storm water management plan to describe future cost-effective efforts to reach the 40% reduction. If a municipality will not meet the seven-year deadline, NR 151 contains provisions under which DNR may extend the compliance deadline by 10 years or more. Any such extension would include five-year reviews by DNR.

The performance standards promulgated in 2010 for WPDES-permitted municipalities replaced requirements of a 20% reduction by March 10, 2008, and a 40% reduction by March 10, 2013. The changes related to extended deadlines and extension for cost-effective planning are intended to reflect concerns of municipalities in recent years that costs of complying with the original March, 2013, deadline would be too onerous.

Any exemption due to significant adverse economic impacts would only be applicable to municipalities holding a WPDES general permit for storm water discharges from municipal separate storm sewers (MS4s). DNR has issued a general permit to cover about two-thirds of municipalities required under federal law to hold permits for MS4 discharges. Larger metropolitan areas such as Milwaukee and Madison operate under individual permits; these municipalities would not be covered by the potential exemption.

[Bill Section: 9135(1)]

8. TRANSFER COMMERCIAL EROSION CONTROL REGULATORY AUTHORITY TO DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

Governor: Transfer to the Department of Safety and Professional Services (DSPS) statutory authority to establish statewide standards for erosion control at construction sites of public buildings and buildings that are places of employment. These responsibilities were transferred to DNR from Commerce under 2009 Act 28, and portions of administrative rule NR 151 promulgated in 2010 addressed erosion and sediment control at these construction sites.

Specify that all DNR rules and orders in effect on the effective date of the bill and related to erosion control at commercial building sites remain in effect until amended, repealed or rescinded by DSPS, or through any previously specified expiration date. Also, specify that any matter pending with DNR primarily related to erosion control at commercial building sites on the effective date of the bill is transferred to DSPS. Specify all materials submitted to DNR and all actions taken by DNR with respect to such matters are to be considered as submissions to or actions of DSPS. Further, specify that any delegations of authority to municipalities by DNR that are in effect on the effective date of the bill would remain in effect until revoked by DSPS.

Under current law, DNR has regulatory authority for construction sites of one acre or larger, which are typically referred to as permitted sites, as they are covered under a general WPDES permit issued by DNR for point sources of pollution. Also, the statutes require DNR to establish minimum erosion control standards for activities at construction sites involving either: (a) no building construction; or (b) construction of a public building or place of employment. These categories include multifamily dwellings, consumer retail establishments, industrial buildings and schools, but not federal buildings, buildings on American Indian reservations, agricultural activities and buildings, or forestry activities. DNR authority also does not extend to construction of one- or two-family dwellings, which is regulated by Commerce. (The bill would transfer erosion control regulations for one- and two-family dwellings from Commerce to DSPS; see the entry under Commerce for additional information.) DNR is allowed under current law to delegate to a local government regulatory authority for construction sites involving public buildings or places of employment. A local delegated authority may enforce by ordinance any standards more stringent than those established by DNR if the local government had the ordinance in effect on January 1, 1994.

NR 151 currently requires that all construction sites implement practices that will not result in excessive sediment runoff from land disturbances, or in soil being tracked onto streets and paved surfaces by machinery used on site. In addition, WPDES-permitted sites must design best management practices intended to achieve certain levels of control of sediment runoff. For sites seeking permits prior to January 1, 2013, the reduction is 80%, to the maximum extent practicable, as compared to the site having no runoff controls. For sites seeking permits January 1, 2013, or after, practices must be designed to achieve sediment discharges of no more than five tons per acre per year, to the maximum extent practicable.

Current law also requires erosion control practices at construction sites of public buildings or places of employment to be described in erosion control plans, which are to be submitted for approval to DNR, or to a local delegated municipality. The statutes also require DNR or the delegated municipality to conduct inspections of erosion control activities taking place on site. If DNR or a local authority finds noncompliance with standards, a stop-work order may be issued.

[Bill Sections: 917 thru 919, 1681, 2292, 2331, 2897 thru 2905, and 9135(2)]

9. CONTAMINATED SEDIMENT REMOVAL BONDING

BR	\$5,000,000
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Governor: Provide \$5,000,000 BR to increase, from \$22 million to \$27 million, the amount of general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from Lake Michigan or Lake Superior or their tributaries if the project is

in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment. Debt service costs paid from the segregated environmental management account of the environmental fund totaled \$381,800 in 2009-10, and are estimated at \$0.7 million in 2011-12, and \$1.0 million in 2012-13.

[Bill Section: 785]

10. WATER QUALITY STANDARD VARIANCES

Governor: Make changes related to variances from water quality standards for wastewater discharge permit holders, as follows.

a. Allow a wastewater discharge permit holder who applies for reissuance or modification of a discharge permit that contains a variance to a water quality standard, or who anticipates that DNR will add a water quality based effluent limitation under s. 283.15(5) when the Department reissues or modifies a discharge permit, to request a variance to the water quality standard that would be used to derive the water quality based effluent limitation when it applies for reissuance or modification of the permit. Currently, a wastewater discharge permit holder must wait to request a variance to a water quality standard until after DNR issues, reissues or modifies the permit, and has 60 days from the date of issuance to apply for a variance. The bill would maintain the authority for the permit holder to apply for the variance within 60 days after DNR reissues or modifies a permit to include a water quality based effluent limitation.

b. Repeal the authority of a permittee to apply to DNR for a variance to a water quality standard after the Department issues a permit to include a water quality based effluent limitation. (This refers to issuance of an original permit rather than a reissuance or modification of a permit.) Currently, a person must obtain a wastewater discharge permit from DNR before the person can discharge pollutants into the waters of the state. DNR promulgates rules with standards of water quality to protect the public interest. A discharge permit can contain requirements to use specified technology to reduce the amount of pollutants in the wastewater discharged into state waters (technology-based requirements). A discharge permit can also contain more stringent requirements to achieve water quality standards for the waters receiving the discharge (water quality based effluent limitations).

c. Delete the requirement that the Department issue a public notice of receipt of the application for a variance and of any deadlines for submission of written arguments on facts and law by interested parties. Currently, within 30 days after DNR receives a complete application for a variance, the Department is required to issue the public notice to the U.S. Environmental Protection Agency, U.S. Army Corps of Engineers, any affected state, any interested agency of this state, and interested members of the public. The bill would retain the requirements that DNR issue a public notice of the Department's tentative decision on the variance within 120 days after receipt of a completed application, and that DNR provide a 30-day period for written comments on the tentative decision.

d. Delete the requirement that when the DNR Secretary makes a final decision to approve or deny the requested variance, the action must be taken within 90 days after expiration of the public comment period on the tentative decision. (Under the bill, there would be no deadline for the DNR Secretary to make the final decision.)

e. Delete the requirement that if the DNR Secretary denies a requested variance because the permittee fails to provide a required demonstration that attaining the water quality standard is not feasible, the Secretary must make the denial within 90 days after the expiration of the public comment period on the tentative decision. (Under the bill, there would be no deadline for the DNR Secretary to make the denial under this provision.)

f. Delete the requirement that if the DNR Secretary does not issue a final decision to approve or deny the requested variance within 90 days after expiration of the public comment, the application for a variance would be considered denied.

g. Delete the requirement that the DNR Secretary's final decision to approve a variance shall, as part of the decision, establish all permit conditions needed to implement the variance. Specify that the Department must address a list of items in a permit reissued or modified to implement a variance (such as compliance with an effluent limitation, a compliance schedule, investigation of treatment technologies or other technologies that may result in compliance with the standard, and reporting requirements). Currently, the permit modified to include the Department's decision must require the same list of items to be in the permit.

h. Delete the requirement that, within 30 days after DNR's final decision to approve a variance, DNR shall issue a public notice of its intent to modify the permit to incorporate the decision.

i. Require that a discharge permit reissued or modified to approve a variance to a water quality standard shall require compliance with an initial effluent limitation that is no less stringent than the effluent limitation achieved under the permit before reissuance, in addition to currently requiring compliance with an initial effluent limitation that at the time the variance is approved represents the level currently achievable by the permittee.

j. Require that the reissued or modified discharge permit shall require investigation of pollution prevention, in addition to currently requiring investigation of treatment technologies, process changes, wastewater reuse or other techniques that may result in compliance by the permittee with the water quality standard.

k. Extend the maximum term of approval for a variance to water quality standards included in a wastewater discharge permit from three to five years, which is the current maximum term of a wastewater discharge permit.

[Bill Sections: 2932 thru 2951]

11. PHOSPHOROUS EFFLUENT LIMITATIONS

Governor: Provide an exception in s. 283.11(3) to the requirement that DNR promulgate an administrative rule with effluent limitations representing the best available demonstrated control technology, processes, operating methods or other alternatives concerning the discharge of phosphorous if the U.S. Environmental Protection Agency has not promulgated an effluent limitation, effluent standard or prohibition concerning this type of discharge. The exception would prohibit DNR from promulgating or enforcing an administrative rule that establishes effluent limitations for the discharge of phosphorous if the rule establishes effluent limitations

that are more stringent than the effluent limitations established by any of the states of Illinois, Indiana, Michigan, Minnesota, or Ohio. Currently, DNR administers rules for phosphorous effluent limits in NR 217 of the Wisconsin Administrative Code, based on s. 283.11 and s. 283.13.

[Bill Sections: 2930 and 2931]

Air, Waste, and Contaminated Land

1. RECYCLING AND RENEWABLE ENERGY FUND CHANGES

Governor: Rename the segregated recycling and renewable energy fund (recycling fund) the "economic development fund." Transfer all recycling fund appropriations to the environmental management account of the environmental fund, except the recycling grant appropriations that are repealed (described in other summary entries), and the surcharge administration appropriation, which would remain in the newly named economic development fund.

Rename the recycling surcharge the "economic development surcharge." Deposit the surcharge in the economic development fund. The surcharge is imposed on businesses that have at least \$4,000,000 in gross receipts. It is 3% of gross tax liability for corporations or 0.2% of net business income for sole proprietorships, partnerships, limited liability companies taxable as partnerships and S corporations. There is a minimum annual payment of \$25 and maximum payment of \$9,800. The Department of Revenue collects the surcharge and currently deposits it in the recycling fund.

Deposit \$4 per ton of the recycling tipping fee in the economic development fund. Deposit \$3 per ton of the recycling fee in the environmental fund. Currently, the recycling tipping fee is \$7 per ton for most solid waste disposed of in Wisconsin landfills, other than certain high-volume industrial waste and PCB-contaminated sediment. The fee rate would not change under the bill. DNR collects the recycling fee quarterly and currently deposits the recycling tipping fee in the recycling fund. The deposit of the fees into the new funds would take effect with fees collected by DNR on or after the effective date of the bill. (DNR also collects other solid waste tipping fees totaling \$6 per ton for waste other than high-volume industrial waste and PCB-contaminated sediment, most of which is collected annually and deposited in the environmental fund for environmental management or nonpoint source pollution abatement purposes.)

Deposit the electronic waste recycling fee and the newspaper recycling fee in the environmental fund instead of the recycling fund. Under 2009 Act 50, a manufacturer of certain electronic devices (such as televisions and computers) pays an annual registration fee based on the number of devices it sold during the previous year. The newspaper fee is paid by certain printers and publishers of newspapers if they do not meet a requirement that the recycled content of newsprint be at least 33%.

The following table shows the current appropriations that are funded from the recycling and renewable energy fund, and whether, under the bill, they are repealed, transferred to the environmental fund, or retained in the renamed economic development fund. The table also shows the new appropriation in the Wisconsin Economic Development Corporation that would be funded from the economic development fund. Two technical corrections would be needed to fund the DNR electronic waste recycling and UW-Madison bioenergy initiative appropriations from the environmental fund instead of the repealed recycling and renewable energy fund.

Appropriations with Current Law and New Fund

<u>Agency</u>	<u>Appropriation Name</u>	<u>2010-11 Base Funding</u>	<u>2010-11 Base Positions</u>	<u>Bill 2011-12 Appropriation</u>	<u>Bill 2012-13 Appropriation</u>	<u>Bill 2012-13 Positions</u>
Recycling and Renewable Energy Fund - Repealed Appropriations						
Commerce						
	Renewable energy grants and loans administration	\$69,700	1.0	\$0	\$0	0.0
	Renewable energy grants and loans	14,850,000	0.0	0	0	0.0
Natural Resources						
	Recycling demonstration grants	0	0.0	0	0	0.0
	Municipal and county recycling grants	32,098,100	0.0	0	0	0.0
	Recycling efficiency incentive grants	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
	Subtotal	\$47,017,800	1.0	\$0	\$0	0.0
Appropriations Renamed from Recycling and Renewable Energy Fund to Environmental Fund						
Agriculture, Trade and Consumer Protection						
	Recyclable products regulation	\$0	0.0	\$0	\$0	0.0
	Grants for agricultural facilities	0	0.0	0	0	0.0
	Clean sweep grants	750,000	0.0	750,000	750,000	0.0
Corrections						
	Computer recycling	313,400	2.0	257,500	257,500	1.0
Natural Resources						
	Recycling administration	1,370,100	15.0	1,606,300	1,582,600	15.5
	Electronic waste recycling administration *	205,000	2.0	152,300	128,600	1.0
	Recycling enforcement	205,000	2.4	299,600	295,800	2.4
	PCB-contaminated sediment transport grants	3,000,000	0.0	3,000,000	3,000,000	0.0
	Statewide recycling administration	412,100	0.5	407,200	407,200	0.5
	State recycling grants administration	423,800	4.0	210,500	210,500	2.0
University of Wisconsin - Madison						
	Wisconsin bioenergy initiative **	0	0.0	3,560,000	3,560,000	0.0
University of Wisconsin System						
	Wisconsin bioenergy initiative **	4,050,000	0.0	490,000	490,000	0.0
	Extension recycling education	344,000	4.0	388,200	388,200	4.0
	Solid waste research and experiments	154,300	0.5	155,400	155,400	0.0
Wisconsin Housing and Economic Development Authority						
	Transfer to development reserve fund	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
	Subtotal	\$11,227,700	30.4	\$11,277,000	\$11,225,800	26.4
Appropriation Renamed from Recycling and Renewable Energy Fund to Economic Development Fund						
Revenue						
	Surcharge administration	\$207,500	1.0	\$210,800	\$210,800	1.0
Economic Development Fund - New Appropriation						
Wisconsin Economic Development Corporation						
	Economic development fund programs	<u>\$0</u>	<u>0.0</u>	<u>\$38,850,000</u>	<u>\$39,850,000</u>	<u>0.0</u>
Total		\$58,453,000	32.4	\$50,337,800	\$51,286,600	27.4

* The bill would need to be amended to fund the electronics waste recycling appropriation from the environmental fund.

** The bill splits the appropriation and funding to reflect the separation of UW-Madison from the UW System. The bill would need to be amended to fund the UW-Madison appropriation from the environmental fund.

The following table shows the current revenues that are deposited in the recycling and renewable energy fund, and where, under the bill, they would be deposited.

**Revenues Currently Deposited in Recycling
Fund and Alternate Fund Under the Bill**

<u>Fee</u>	<u>Recycling and Renewable Energy</u>	<u>Environmental</u>	<u>Economic Development</u>
Recycling Tipping Fee*	-\$35,606,900	\$15,260,100	\$20,346,800
Recycling Surcharge (renamed Economic Development Surcharge)	-22,000,000		22,000,000
Electronic Waste Recycling Fee	-255,000	255,000	
Newspaper Recycling Fee	<u>-1,800</u>	<u>1,800</u>	<u> </u>
Total	-\$57,863,700	\$15,516,900	\$42,346,800

*The recycling tipping fee would remain at the current \$7 per ton. \$4 would be deposited in the economic development fund and \$3 would be deposited in the environmental fund.

[Bill Sections: 374, 376, 382, 542, 576 thru 578, 591, 593, 600, 602, 603, 628, 712, 753, 867, 887, 891 thru 894, 2132, 2177, 2184 thru 2187, 2984, and 2985]

**2. REPEAL MUNICIPAL AND COUNTY RECYCLING
GRANT PROGRAM**

SEG	- \$64,196,200
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Governor: Repeal the municipal and county recycling grant appropriation and program and delete \$32,098,100 annually from the segregated recycling and renewable energy fund. The program was created in 1989 Act 335 to provide financial assistance to responsible units of local government for a portion of eligible recycling costs. A responsible unit is the local government that administers a recycling program for a geographic area. Eligible recycling costs for planning and operating a recycling program include expenses such as for staff, equipment, land, collection of recyclables, public education and enforcement, written contracts to obtain services necessary for an effective recycling program, and landfill costs directly associated with recovering recyclables from postconsumer waste.

In 2009-10, DNR awarded \$29,294,200 to 1,025 local government grantees, equaling 26.6% of estimated net eligible recycling costs of \$110.1 million in calendar year 2010. The grant award averaged \$5.16 per capita, but varied substantially by municipality. (DNR awarded \$1,803,900 less than the \$31,098,100 appropriated amount to meet part of the Department's obligation to transfer funds to the state's general fund under deficit reduction requirements of the 2009-11 biennial budget.) In 2000 and subsequent years, responsible units receive a grant equal to the same percentage of the total grant funding as the responsible unit received, or would have received, in 1999. While \$32.1 million is budgeted in 2010-11 for calendar year 2011 municipal recycling grants, actual grant awards are expected to be substantially lower in order to meet

general fund transfer requirements and to maintain a positive recycling fund balance on June 30, 2011.

[Bill Sections: 591, 593, 596, 2977, and 2980]

3. REPEAL LOCAL GOVERNMENT RECYCLING MANDATES

Governor: Repeal the requirement that local governments implement recycling programs. Include the following provisions:

a. Repeal the requirement that each municipality is a "responsible unit" for purposes of operating a recycling program.

b. Repeal the requirement that each responsible unit of local government must operate, or contract with another entity to operate, a recycling program that manages solid waste generated within its jurisdiction in compliance with landfill disposal restrictions that ban certain materials from landfills (the landfill bans) and the state solid waste policies included in statutes. These policies state that the state encourages the following hierarchy of solid waste management priorities: (1) reduction of the amount of solid waste generated; (2) reuse of solid waste; (3) recycling; (4) composting; (5) recovery of energy from solid waste; (6) land disposal; and (7) burning of solid waste without energy recovery.

c. Repeal the definition of responsible unit. Currently, a "responsible unit" is the local government that administers a recycling program for a geographic area, and can include a: (1) municipality (city, village or town); (2) county, if it adopts a resolution to create a responsible unit for all or a portion of the county; (3) multiple-municipality responsible unit consisting of counties, solid waste management commissions or two or more neighboring municipalities; and (4) an Indian tribe.

d. Repeal all provisions related to DNR approval of and local operation of effective recycling programs. Currently, responsible units must be approved by DNR as operating an effective recycling program in order to: (1) landfill "residuals," (materials remaining after other like materials have been separated for recycling) that would otherwise be subject to the landfill disposal bans; and (2) apply for a grant under the municipal and county recycling grant program. A responsible unit's effective recycling program must include several specific components, including: (1) an ordinance to require recycling of the materials subject to the 1995 landfill bans; (2) a method for collecting, processing and marketing recyclables from single-family and two- to four-unit residences; (3) public education and information about how to recycle; (4) curbside collection of certain recyclable materials in municipalities with a population of 5,000 or greater and a population density of greater than 70 persons per square mile; (5) to meet specific per capita total collection standards for eight recyclable materials; (6) equipment and staff necessary to operate and enforce the program; and (7) other components.

e. Repeal the requirement that a responsible unit that receives a state grant under the municipal and county recycling grant program, or a county or municipality within such a responsible unit, is prohibited from imposing a restriction, or a tax or fee on the sale or

distribution of packaging for a purpose relating to the disposal of the packaging. For example, currently, local governments that receive a recycling grant are not allowed to assess a bottle deposit fee to help pay for the costs of disposing of the bottle, and are not allowed to ban retail sales of a certain type of plastic packaging in order to reduce issues related to the disposal of the plastic.

f. Repeal the requirement that, if a responsible unit levies a "recycling fee," meaning a special assessment or charge, for the purpose of complying with the requirement that a responsible unit administer a recycling program, any unpaid recycling fee is a lien on the property against which it is levied, to the same extent as a lien for a tax that is levied on real property within the jurisdiction.

g. Repeal the requirement that, as of February 1, 2010, a responsible unit shall provide information to people in its region about the electronic device landfilling ban, why it is important to recycle electronic devices, and opportunities available to those persons for recycling electronic devices.

[Bill Sections: 203 thru 205, 1684, 2150, 2728, 2954, 2956 thru 2958, 2964, 2969, 2971 thru 2981, 3507, and 3508]

4. LANDFILL DISPOSAL RESTRICTIONS

Governor: Modify the 1995 landfill bans on landfilling certain materials (the landfill bans that went into effect January 1, 1995) so that no "individual" may place the banned materials in a container the contents of which will be disposed of in a landfill, converted into fuel, or burned at an incinerator. This means that an individual household would not be allowed to place materials subject to the 1995 landfill bans in a trash can that will be hauled to a landfill. The recycling statutes and bill do not include a definition of "individual," so the common dictionary definition of individual as a human being would apply. Currently, no "person" may dispose of materials subject to the 1995 landfill bans in a landfill, burn with or without energy recovery, or convert the materials into fuel. Under the recycling statutes in s. 287.01 (5m), a "person" includes any individual, corporation, limited liability company, partnership, association, local governmental unit, state agency or authority, or federal agency. Currently, in most of the state, private waste haulers or municipalities transport truckloads of materials for disposal in a landfill rather than individuals taking the waste generated by their household to a landfill for disposal.

The materials affected by the modification in the 1995 landfill bans include: (a) aluminum containers; (b) corrugated paper or other container board; (c) foam polystyrene packaging (packaging made primarily from foam polystyrene that either: (1) is designed for serving food or beverages; (2) consists of loose particles intended to fill empty space and cushion the packaged article; or (3) consists of rigid materials shaped to hold and cushion a packaged article); (d) glass containers; (e) magazines or other material printed on similar paper; (f) newspapers or other material printed on newsprint; (g) office paper; (h) plastic containers (plastics #1 through #7 required to be labeled under the plastic container labeling law); (i) steel containers; and (j) containers for carbonated or malt beverages that are primarily made from a combination of steel

and aluminum (known as “bi-metal” cans).

Repeal the requirement that materials subject to the 1995 bans from landfills may only be landfilled if the materials are "residuals" from an effective recycling program ("residuals" are materials remaining after other like materials have been separated for recycling).

The bill would maintain the current bans on any person disposing of several materials in a landfill or incinerator, including: (a) lead acid batteries; (b) major appliances (air conditioners, clothes dryers, clothes washers, dishwashers, freezers, microwave ovens, ovens, refrigerators, stoves, furnaces, boilers, dehumidifiers, and water heaters); (c) waste oil (banned from landfills but can be burned with energy recovery); (d) yard waste; (e) waste tires (banned from landfills but can be burned with energy recovery); and (f) electronic devices (such as computers, televisions, video cassette recorders, digital video disc players, and cell phones). In addition, the bill would not change the current requirement that no individual may place electronic devices in a container the contents of which will be disposed of in a landfill.

The bill would maintain DNR’s current authority to issue a citation to any person who violates any of the bans, and to collect a forfeiture of \$50 for the first violation, \$200 for the second, and \$2,000 for the third or subsequent violation.

Provide that the 1995 landfill bans would not apply to a material that has been contaminated and cannot feasibly be cleaned for recycling. Repeal the requirement that DNR may grant a waiver to the 1995 landfill bans if: (a) the applicant shows that the recyclable material has been contaminated and cannot feasibly be cleaned for recycling; and (b) DNR determines that granting the waiver will not impede progress toward meeting the goals of the state solid waste policy (the statutory policy that encourages waste reduction, reuse, recycling and composting of solid waste).

Provide that DNR may "issue" instead of "grant," a waiver to the 1995 landfill bans for foam polystyrene and plastic containers if the Department determines: (a) recycling of the material is not feasible or practical in light of current markets or available technologies; and (b) granting the waiver will not impede progress toward meeting the goals of the state solid waste policy. In 1996, DNR granted a waiver to the disposal requirements for foam polystyrene and plastic containers that are labeled #3 through #7, and granted one-year variances to all responsible units for these plastics in 1995 and 1996. Currently, and under the bill, the waiver would remain in effect until one year after DNR determines that markets and technologies are available for recycling the material.

[Bill Sections: 2961 thru 2968, and 2970 thru 2972]

5. REPEAL RECYCLING EFFICIENCY INCENTIVE GRANT PROGRAM

Governor: Repeal the recycling efficiency incentive (REI) grant appropriation and program. The program was created in 2001 Act 16, and was appropriated \$1,900,000 annually from the recycling and renewable energy fund from 2002-03 through 2008-09. The program was not appropriated funding for 2009-10 or 2010-11, but the statutory authorization for the program was retained. The REI is an optional program to provide funding to responsible units that

implement efficiencies in their recycling programs such as the consolidation of two or more responsible units or a responsible unit entering into a cooperative agreement with at least one other responsible unit to provide recycling services. Available grant funds are distributed as a per capita amount for the population of all responsible units with approved applications.

[Bill Sections: 597, 2960, and 2981]

6. REPEAL DEMONSTRATION AND BUSINESS RECYCLING GRANT PROGRAMS

Governor: Repeal the appropriation and program statutes for two waste reduction and recycling grant programs that have provided assistance for projects that reduce the amount of waste generated or disposed of. The appropriation supports: (a) waste reduction and recycling demonstration grants to municipalities, schools, other public entities, businesses and nonprofit organizations for a portion of the costs of projects which implement innovative waste reduction and recycling activities; and (b) contracts with nonprofit organizations for services to assist businesses to reduce the amount of solid waste generated or to reuse or recycle solid waste. Under 2007 Act 20, the appropriation was increased from \$500,000 annually to \$1,500,000 in 2007-08 and 2008-09, with the intent of allocating the increase for business waste reduction and recycling assistance. The programs were not appropriated funding for 2009-10 or 2010-11, but the statutory authorization for the programs was retained.

[Bill Sections: 591, 593, 595, 2977, 2982, and 2983]

7. ELIMINATE VEHICLE ENVIRONMENTAL IMPACT FEE

SEG-REV - \$21,000,000

Governor: Repeal the \$9 per vehicle environmental impact fee that is paid to DOT when a certificate of title is transferred for a new or used vehicle. DOT deposits the environmental impact fee in the segregated environmental management account of the environmental fund. Currently, the environmental management account is mainly used for: (a) DNR administration of contaminated land cleanup, brownfields, and groundwater management activities; (b) DNR and Commerce brownfields grants programs; (c) state-funded cleanup at sites where there is no responsible party able or willing to cleanup the site; and (d) DNR debt service appropriations for remedial action, contaminated sediment cleanup, administrative facilities, and certain water pollution abatement bonds. The fee generated revenue of \$10,583,500 in 2008-09 and \$10,454,000 in 2009-10. DOA estimates the decrease in revenue to the environmental management account will be approximately \$10.5 million annually. [See the entry under "Transportation -- Transportation Finance" for a corresponding \$9 increase in the vehicle title fee that is deposited in the transportation fund.]

[Bill Sections: 878, 880, 888, 2235, 3132, and 9348(5)]

8. BROWNFIELDS SITE ASSESSMENT AND GREEN SPACE GRANTS

SEG	- \$4,130,000
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Governor: Repeal the appropriations for the brownfields site assessment and green space grant appropriations. Decrease funding by \$2,065,000 annually from the environmental management account of the environmental fund, including \$1,595,700 annually for the site assessment grant program and \$469,300 for the green space grant program. The bill would retain the statutory requirements that DNR administer a site assessment grant program under s. 292.75 and a green space grant program under s. 292.79. (Administration officials indicate they intended to repeal the program statutes. The bill would need to be amended to accomplish this.)

The brownfield site assessment grant program was created in 1999 Act 9 to provide grants to local governments to perform the initial investigation of contaminated properties, demolition of certain structures on a contaminated site, asbestos abatement that is part of the demolition activity, and removal and proper disposal of abandoned containers, underground petroleum product storage tank systems or underground hazardous substance storage tank systems. The brownfields green space grant program was created in 2001 Act 16 to provide grants to local governments for brownfields remediation projects that have a long-term public benefit, including the preservation of green space, development of recreational areas, or the use of a property by the local government.

While the Executive Budget Book states the bill would transfer the DNR authority to issue grants and related funding to the Wisconsin Economic Development Corporation, the bill does not transfer the program statutes from DNR to WEDC. [See the entry under "Commerce" for the repeal of the Commerce brownfields grant appropriation, and the transfer of the Commerce brownfields grant program statutes to WEDC.]

[Bill Sections: 598 and 599]

9. ENVIRONMENTAL CLEANUP BONDING

BR	\$3,000,000
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Governor: Provide \$3,000,000 BR, to increase, from \$47 million to \$50 million, the amount of general obligation bonding authority used to conduct remedial actions at contaminated sites. DNR is authorized to use the bonding authority for: (a) state-funded cleanup under the environmental repair statute (s. 292.31) or hazardous substances spills statute (s. 292.11) when construction is involved and no responsible party is known, willing or able to take the necessary action; and (b) the state's cost-share at federal Superfund or leaking underground storage tank trust fund sites. Debt service costs paid from the segregated environmental management account of the environmental fund totaled \$3,868,000 in 2009-10, and are estimated at \$3.9 million in 2011-12, and \$4.1 million in 2012-13 under the bill.

[Bill Section: 783]